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CIA probes Nixon donor's

By Morton Kondracke

Sun-Times Bureau

WASHINGTON — The Central Intelligence Agency was reported Wednesday to be inquiring into the complicated Costa Rican affairs of Robert L. Vesco, an international financier recently disclosed as a contributor of \$20,000 to the Committee for the Re-election of the President.

Informed sources told The Sun-Times that the CIA had made inquiries about Vesco with the Securities and Exchange Commission, which has had Vesco under investigation for some 20 months.

The sources said that Vesco was contemplating renouncing his American citizenship and obtaining status as a Costa Rican diplomat.

Confirmation of the report could not be obtained from either the SEC or the CIA.

Richard E. Clay, a spokesman for Vesco, said that his boss had "hit the ceiling" when he heard the report and declared that there was "absolutely nothing to this, especially the part about renouncing his citizenship."

"Mr. Vesco assumes that this report is the result of his visits to Costa Rica to purchase personal property," Clay said.

The State Department said that Costa Rican newspapers have widely reported attempts by Vesco to establish a base there for managing his investments free from any nation's laws or taxes.

The chief executive of a New Jersey electronics firm, International Controls Corp., Vesco, at 35, emerged from nowhere in 1970 to successfully gain control of IOS Ltd., the once-vast Swiss-based investment fund.

Costa Rica dealings

IOS, whose international investments in banks, insurance companies, natural resources and real estate once were valued at \$2.5 billion, was forbidden by the SEC to sell stocks in the United States under a 1967 consent agreement.

Vesco gained control of IOS after its chairman, Bernard Cornfeld, was deposed after 14 years. The SEC launched its investigation in March, 1971, after the commission staff concluded that the relationship between Vesco's International Controls and IOS might violate the 1967 ban.

After a reign almost as rocky as Cornfeld's, Vesco announced in April that he was relinquishing control of IOS and quitting as an executive. International Controls, however, retained control of IOS' banking subsidiaries.

In September, Vesco announced that he was quitting his International Controls posts as well. Clay said that one of Vesco's major reasons for leaving International Controls and IOS was to avoid further investigation by the government.

However, SEC officials said that relinquishing such posts now would not necessarily enable Vesco to escape scrutiny for past behavior. A State Department source added that there is widespread doubt that

Vesco actually has given up his involvement with either organization.

In an effort to reach Vesco, The Sun-Times called his home in Boonton, N.J., and was told by his wife that he should be reached "at the office," at a telephone number which turned out to be that of International Controls. A State Department official said that Vesco still travels to Costa Rica on a Boeing 707 jet leased by International Controls.

Reports of the General Accounting Office revealed last week that Vesco gave \$20,000 to President Nixon's re-election campaign over the past six months. Reportedly, Vesco also made major contributions prior to April 7, the effective date of the new federal campaign reporting law.

According to a State Department expert in Latin American affairs, the Costa Rican press has reported circulation of a draft bill in the country's legislature that would establish "virtual extraterritoriality" for a small area of land near the nation's major airport.

While no proof has been established, said the expert, the press has reported Vesco to be the person seeking the haven. Passage of the bill is favored by Costa Rican President Jose Figueres and Foreign Minister Gonzalo Fazio, said the expert, and Vesco is reported to have placed \$5 million in the hands of Fazio's law firm for investment in Costa Rican utilities.

The State Department official said it had been reported that Vesco has a Costa Rican passport, but has not taken the additional steps of renouncing his U.S. citizenship or becoming a Costa Rican citizen.

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The Washington Merry-Go-Round**Targets of Anti-Consumer Lobbyists****By Jack Anderson**

Sailing under the colors of consumer advocates, White House and big business lobbyists are working hand-in-hand to scuttle the most important consumer bills now pending on Capitol Hill.

One measure is no-fault auto insurance which would cut car insurance costs by a billion dollars annually. The other bill would set up an independent Consumer Safety Agency to keep hazardous products off the market.

Both bills are being debated in secret sessions of the Senate Commerce Committee, where a behind-the-scenes confrontation has developed between pro-consumer senators and friends of the special interests.

The senators fighting to gut the bills have been helped by top officials of several government agencies, who have fired off letters opposing the legislation to Senate Commerce Chairman Warren Magnuson (D-Wash.).

These letters have also been leaked to selected senators for use as ammunition in their efforts to weaken the legislation.

One such letter from the Commerce Department, marked "Official Copy, Please Do Not Remove From File," makes a few well-chosen platitudes about consumerism, then insists the bills should be weakened because "it is necessary to ensure business

the protection of (its) secrets." Even Elliot Richardson, Secretary of Health, Education and Welfare, has lined up against the safety agency because, as his letter says, it might lead to lawsuits against "responsible officials and industry."

Flanigan Finagling

From the White House, associate budget director Frank Carucci wrote Magnuson that he "strongly" opposes the bills. But these letters are only part of the administration's pressure in Congress.

Presidential aide Peter Flanigan, perhaps big business' best friend in the White House, has been making the same rounds—and the same pitch—as the industry lobbyists.

The lobbyists themselves have been out in unheard of numbers. We have come across bottle lobbyists, who want the consumer agency bill softened because it will outlaw dangerously thin bottles.

Appliance makers have had their spokesmen on the prowl complaining that the proposed regulation of ovens and other potentially hazardous household equipment would be unfair.

They have been joined by food industry lobbyists who don't want to see the new consumer agency replace the old Food and Drug Administration, which has always

stuck up for the industry, not the public.

Trial lawyers, fighting the loss of a billion dollars in legal fees, have made the halls of Congress a courtroom.

Not surprisingly, every one of the lobbyists has contended that weakening the bills would actually help, not hurt, the consumer.

The tiny band of administration officials who favor the consumer bills have been effectively silenced. Transportation Secretary John Volpe, for example, is privately convinced from more than 20 volumes of data that a tough no-fault bill is a necessity. But he has glumly sat out the battle.

While the lobbyists hovered in the corridors, the Senate Commerce Committee held its first secret session Wednesday. The bill survived this test intact, mainly because Sens. Robert Griffin (R-Mich.) and Howard Baker (R-Tenn.), both frequent supporters of the special interests, decided to skip the meeting.

The Scenario now calls for Chairman Magnuson and consumer ally Frank Moss (D-Utah) to push through the safety agency measure and mild-mannered Phil Hart (D-Mich.) to lead the battle for no-fault. House backers, meanwhile, have suspended action pending the Senate outcome.

Figueres' Finances

Costa Rica's President Jose Figueres, one of the democratic heroes of Latin America, is a great political leader but a poor businessman. His personal finances, apparently, are in a shambles.

The Central Intelligence Agency, which keeps tabs on all world leaders, friends and foes alike, has learned about Figueres' finances from a source close to his nephew.

States the secret CIA report: "According to Fernando Figueres Zamora, the nephew of President Jose Figueres Ferrer, all of the President's business enterprises are doing poorly. Fernando Figueres, who manages some of the President's businesses, said that he personally has asked to be allowed to resign because of these financial difficulties.

"He commented that all the members of the President's family are deeply concerned with family financial matters and the fact that the President does not seem to be able to administer his business enterprises profitably. The family is also concerned about recent political developments and considers that the President is too dependent on some of his close advisors . . .

"(Another source) indicated that Figueres seemed obsessed with his financial problems."

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